

MARY ANN SMITH
Deputy Commissioner
DANIEL P. O'DONNELL
Assistant Chief Counsel
KIRK WALLACE (State Bar No. 129953)
Senior Counsel
Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, CA 94104
Telephone: (415) 972-8546
Facsimile: (415) 972-8550

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	ESCROW LICENSE NO. 963-2708
)	
THE COMMISSIONER OF BUSINESS)	ACCUSATION IN SUPPORT OF
OVERSIGHT,)	NOTICE OF INTENTION TO ISSUE ORDER
)	BARRING CHRIS SALAS FROM ANY
Complainant,)	POSITION OF EMPLOYMENT,
v.)	MANAGEMENT OR CONTROL OF ANY
)	ESCROW AGENT
CHRIS SALAS,)	
)	
)	
Respondent.)	
)	
)	

JAN LYNN OWEN, the Commissioner of Business Oversight ("Commissioner") alleges and charges as follows:

I.

1. Lido is a California corporation, with a principal place of business at 423 31st Street, Suite A, Newport Beach, California 92663 and has been licensed by the Department of Business Oversight (DBO) as an escrow agent since March 1, 2012. (Escrow License No. 963-2708). Matthew Carreon is the President and sole owner of Lido.

2. Respondent Chris Salas (“Salas”) was at all times relevant herein, the only employee of Lido and was the person primarily in charge of operating the escrow business.

3. The DBO conducted a regulatory examination of Lido’s escrow business beginning in May of 2017 (examination). Based on the examination results, the DBO found that Salas’s personally committed numerous violations of the CEL while managing all Lido’s escrow operations. These included findings that Salas: (1) operated Lido in an unsound manner in violation of Financial Code section 17415; (2) took escrow fees before the close of escrow in violation of Financial Code section 17420; (3) had prohibited debt balances in its escrow trust accounts in violation of California Code of Regulations, title 10, section 1738.1; (4) failed to regularly reconcile its escrow trust accounts in violation of California Code of Regulations, title 10, sections 1732.2 and 1732.3; (4) failed to keep and preserve required records and make them available for inspection by the DBO during the examination in violation of California Code of Regulations, title 10, sections 1729 and 1738.2; and (5) delivered documents or property in violation of escrow instructions in violation of California Code of Regulations, title 10, section 1738.2.

4. Based on the above violations Lido’s escrow license was revoked by the Commissioner pursuant to a Consent Order issued on September 25, 2018 which was entered into with the owner and president of Lido Mathew Carreon. Carreon indicated that subsequent to the DBOs discovery of the above violations, Salas moved to Guam and then failed and refused to cooperate in providing Carreon access to important financial records of Lido stored electronically, despite his repeated requests.

II.

5. Financial Code section 17423 provides in pertinent part:

(a) The commissioner may, after appropriate notice and opportunity for hearing, by order, . . . bar from any position of employment, management, or control any escrow agent, or any other person, if the commissioner finds either of the following:

(1) That the . . . bar is in the public interest and that the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should have

been known by the person committing or causing it or has caused material damage to the escrow agent or to the public....

(b) Within 15 days from the date of a notice of intention to issue an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code). Upon receipt of a request, the matter shall be set for hearing to commence within 30 days after such receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of such notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing....

III.

The Commissioner finds that, by reason of the foregoing, Respondent Chris Salas has violated Financial Code section 17414, subdivision (a)(1) and California Code of Regulations, title 10, sections 1738 and 1738.2 and it is in the best interest of the public to bar Chris Salas from any position of employment, management or control of any escrow agent.

WHEREFORE, IT IS PRAYED that Respondent Chris Salas be barred from any position of employment, management or control of any escrow agent.

Dated: October 22, 2018

San Francisco, California

JAN LYNN OWEN

Commissioner of Business Oversight

By: _____

KIRK WALLACE

Senior Counsel

Enforcement Division